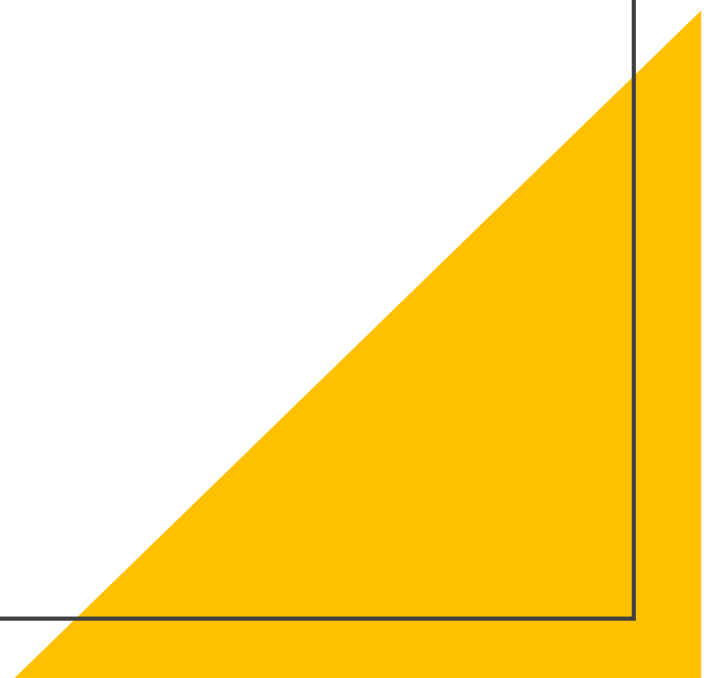


Recommendation Delivered By Task Force

Submitted 1/6/2021- 1/6/2022



Task Force assigned/prioritized responsibility by statute

- RCW 69.50.336 states The Task Force shall submit one or more reports on recommended policies that will facilitate the development of a Cannabis social equity program in Washington to the governor, board, and appropriate committees. The recommendations must include:
 - A) factors the board must consider in distributing the licenses currently available from cannabis retailer licenses that have been subject to forfeiture, revocation, or cancellation by the board.
 - B) Recommendations for the cannabis social equity technical assistance grant program created under RCW 43.330.540

Department of Commerce

1. Cannabis mentorship program.

- Provides financial assistance to cannabis licensees who meet the social equity definition.
- The “social equity applicant” means
 - i. An applicant who has at least fifty-one percent ownership and control by one or more individuals who have resided in a disproportionately impacted area for a period of time defined in rule by the board after consultation with the Commission on African American Affairs and other commissions, agencies, and community members as determined by the board;
 - ii. An applicant who has at least fifty-one percent ownership and control by at least one individual who has been convicted of a cannabis offense, a drug offense, or is a family member of such an individual: or
 - iii. An applicant who meets criteria defined in rule by the board after consultation with the Commission on African American Affairs and other commissions, agencies, and community members as determined by the board. (RCW 69.50.335)

Liquor and Cannabis Board

1. The definition of Family that is used for the eligibility criteria for the Social Equity Application will follow the definition in statute, [HB 2614](#).
2. Definition of “Family member”: includes a biological, adopted, or foster child, a stepchild, a child's spouse, or a child to whom the applicant stands loco parentis (in place of a parent), is a legal guardian, or is a de facto parent, regardless of age or dependency status; grandchild, grandparent, parent, sibling, or spouse, and also includes any individual who regularly resides in the applicant's home or where the relationship creates an expectation that the applicant care for the person and that individual depends on the applicant for care. Except that it does not include an individual who simply resides in the same home with no expectation that the employee care for the individual.
3. Utilize the Ranking formulas and Indicators Formula to determine disproportionately Impacted Areas

LCB Recommendations continued

Disproportionately Impacted Areas Formula:

DIA FORMULA

% Unemployment +

Median Household Income as Proportion to County +

of Drug Convictions +

2.9 × of Black Residents +

1.6 × % of Latino/a/x Residents +

1.6 × % of Indigenous Residents +

= DIA Score for Census Tract

Legend:

Explicitly Expressed in legislative mandates

Prioritizing communities of color

Incorporating the disparities in cannabis convictions

LCB Recommendations continued

1) Social Equity Application

a) Social Equity Application Process:

- i) 30-60-day application window to submit information (closed window)
- ii) Liquor & Cannabis Board to contract with Equity organization (3rd party).
- iii) double-blind tiebreakers (If necessary)
- iv) Social Equity Applicants are given a preliminary letter of approval from the case manager.
- v) No time restrictions to secure a location.
- vi) Social Equity Case Manager (Within Liquor Cannabis Board) to ensure equity standards are met and to help guide applicants during the process.

LCB Rec. Continued

Social Equity Contractor (3rd Party)

- Responsibility is to review and score social equity plans. Then recommend winning candidates to the Social Equity Case Manager (LCB) for approval and advancement.

Double-Blind Lottery (3rd party)

- Method used to determine winners in the event of a tie.

Preliminary letter of approval

- Approval letter is given to selected applicants by the Social Equity Case Manager. Applicants with an approval letter can then take that letter to apply for grants from the Department of Commerce. These grant dollars can then be used to help the applicant secure retail location and other necessities needed to complete the remaining portion of the application process

No time restriction to secure location.

- This allows the applicant to secure a location. The Liquor & Cannabis Board will give the Social Equity Applicant a window to search for a location. The Social Equity Case Manager will monitor that applicant was given full time to secure the location.

Social Equity Case Manager

- This role will be associated with the Liquor & Cannabis Board to ensure social equity standards are met during and after the social equity application process. They will give the preliminary approval letter after reviewing recommendations from 3rd party. This individual will also be a resource for applicants and license holders to file grievances whenever facing inequity within the agency.

Category	Criteria Elements	Point Scale (Maximum Possible)
Eligibility Criteria	1. Lived in a Disproportionately Impacted Area (DIA) Black-50pts Hispanic-25pts Native-10pts	50
	2. Conviction History Convicted of a marijuana offense Black-50pts Hispanic-25pts Native-10pts	50
	OR 2a. Convicted of a drug offense Black-20pts Hispanic-10pts Native-5pts	
	OR 2b. Family member convicted of any drug offense-5pts	
	4. Black (150pts), Hispanic (75pts), Native American (25pts) **Based on arrest rates ratios from 240,000 Marijuana Arrests Costs, Consequences, and Racial Disparities of Possession Arrests in Washington, 1988-2010, Marijuana Arrest Research Project	150
	Total for Category	250
Eligibility Criteria Weight % of overall Scoring		38%
Social Equity Ownership Scoring	Black Ownership - 100%- 200pts 90-99%-150pts 76-89%-100pts 51-75%-50pts	200
	Or Hispanic Ownership - 100%- 100pts 90-99%-75pts 76-89%-50pts 51-75%-25pts	
	Or Native Ownership - 100%- 40pts 90-99%-30pts 76-89%-20pts 51-75%-10pts	
	Total for Category	
	Total for Category	
	Total for Category	
Social Equity Plan Elements Weight % of overall Scoring		31%
Business Plan	1. Executive summary, vision and mission? a. Employment and labor practices	150
	2. Do you have a previous cannabis business experience that would make your business more viable?	50
	Total for Category	200
Business Plan Elements Weight % of overall Scoring		31%
Other Priority Criteria	1. Do you want to apply for the Technical Assistance Grant and how much do you need?	No Points
	3. Do you have ownership of a current license, what percentage?	No Points
Affirmations (licensee must affirm that all statements are true and risks being removed from consideration if any statement is found to be untrue) Affirm the business is at least 51% minority ownership Affirm if you lived in a DIA area and the length of time you lived there it's accurate on your application and plan. Affirm if you represent you or your family member was convicted of a marijuana or drug offense it is true. Affirm if you represent you have marijuana business ownership experience, it's true. Affirm everything on your application and business plan is true Affirm all owners and parties of interest that are represented on this plan and the application are accurate. Affirm all ownership represented on the plan is the same ownership that will be represented on the application and the operating agreement including all documents to WSLCB, county, and city. Affirm that no outside management companies other than management company owned by a social equity/Minority licenses holder can have any form of controlling interest in the business. Affirm that you are a resident of the state of Washington Affirm that any affirmations that are affirmed by applicant and found not to be true will result in denial of application or license revoked.		No Points
Other Priority Weight % of overall Scoring		0% (0pts)
Total Score:		650

Recommendations to Legislature

1. Create a community reinvestment fund using 50% of cannabis tax revenue
 - a. 10% - Financial assistance awards will be funded by transferring the cannabis tax revenue to the cannabis social equity grant program.
 - b. 5% - Low-interest loans for licensees who meet the social equity definition.
 - c. 35% to Disproportionally Impacted Areas for programming: Faith-Based organizations and non-profits to provide these services.
 - d. That any new cannabis licenses are reserved for social equity through 2029, this includes new licenses that are passed through the legislator. (ex. Delivery licenses, social consumption lounges, and additional retail licenses)
2. Any new cannabis licenses will be reserved for social equity through 2029. This includes new licenses that are passed through the legislature. (e.g. Delivery licenses, social consumption lounges, and additional retail licenses.)
3. Social equity retail licenses are eligible for mobility, contingent on local approval within their respective counties.
4. Reduce buffer zones from 1000ft to 500ft (excluding elementary schools, secondary schools, playgrounds which must remain at 1000 feet.)

Task Force upcoming work

Based on Statutory Authority outlined in HB1443



RCW 69.50.336 Sec. 3

- A) Whether any additional cannabis produce, process or retailer licenses should be issued beyond the total number of licenses.
- B) The social Equity Impact of Altering residential cannabis agriculture regulations.
- C) The social equity impact of the shifting the primary regulation of cannabis production from the board to the department of agriculture. Including potential impacts to the employment rights of workers.
- D) the social equity impact of removing non-violent cannabis related felonies and misdemeanors from the existing point system used to determine if a person qualifies for obtaining or renewing a cannabis license.
- E) Whether to create workforce training opportunities for underserved communities to increase employment opportunities in the cannabis industry.
- F) The Social equity impact of creating new cannabis license types

2022 Workgroup and Scopes

- Licensing Workgroup
 - A) Whether any additional cannabis produce, process or retailer licenses should be issued beyond the total number of licenses.
 - F) The Social equity impact of creating new cannabis license types
- Community Reinvestment/ Workforce Job Training Workgroup
 - E) Whether to create workforce training opportunities for underserved communities to increase employment opportunities in the cannabis industry
- Dept. of Agriculture
 - C) The social equity impact of the shifting the primary regulation of cannabis production from the board to the department of agriculture. Including potential impacts to the employment rights of workers.
- Homegrow Regulation/ LCB Nonviolent Conviction Policy
 - B) The social Equity Impact of Altering residential cannabis agriculture regulations.
 - D) the social equity impact of removing non-violent cannabis related felonies and misdemeanors from the existing point system used to determine if a person qualifies for obtaining or renewing a cannabis license.